

Northern New Jersey

Industrial - Q3 2026

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Flight to quality drives strong absorption and market bifurcation

Year to date, the Northern New Jersey industrial market has recorded 4.5 million square feet (msf) of occupancy gains, a 16.0% increase over the same period in 2025 and the busiest first three quarters since 2022. That growth has been concentrated almost entirely in new, modern facilities: Class A product posted 8.2 msf of year-to-date absorption, while Class B and Class C combined saw a net loss of roughly 3.7 msf. This flight to quality is also reshaping performance by building size. Buildings between 500,000 and 750,000 square feet (sf) ended Q3 with a 4.3% vacancy rate, down 240 basis points (bps) year over year. That is 340 bps tighter than the 50,000- to 200,000-sf tranche and 540 bps tighter than the 200,000- to 500,000-sf tranche.

Consumer-oriented occupiers bolster wave of leasing activity

Leasing activity remained strong through the third quarter of 2026. As in the previous two quarters, activity was concentrated among three primary industries: third-party logistics (3PLs), e-commerce and consumer goods. Year to date, these industries account for 60.0% of new lease commitments over 100,000 sf. E-commerce was the busiest sector in the third quarter as TikTok Shop committed to 712,000 sf in the Exit 10 submarket, while Amazon and DoorDash signed for 426,000 sf and 117,000 sf, respectively, in Hudson Waterfront.

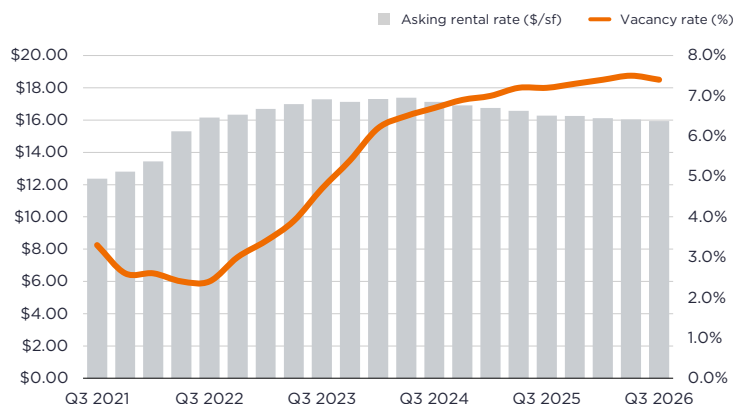
New development responds to large-format squeeze

While development activity has remained relatively flat over the last few quarters, signs of a pickup are emerging. Notable projects moving forward are targeting the shortage of large-format options in the market. Two projects recently broke ground: 577 Smith Street and 201 Jake Brown Road, both in the Exit 10 submarket. A handful of additional sites are set to begin construction in the coming months, including 100 Paterson Plank Road in the Meadowlands submarket and 40 Jake Brown Road in the Exit 10 submarket—all prime examples of projects targeting the tightest segment of the market.

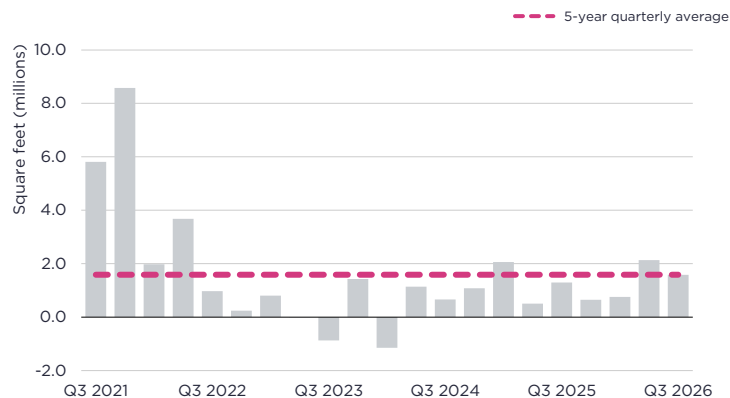
KEY STATISTICS

	Q3 2025	Q3 2026	Y-O-Y
Inventory	681.6 msf	693.1 msf	+11.5 msf
Vacancy rate	7.2%	7.4%	+20 bps
Asking rental rate	\$16.28	\$15.94	-2.1%
Net absorption YTD	3.9 msf	4.5 msf	+0.6 msf
Deliveries YTD	6.1 msf	4.9 msf	-1.2 msf
Under construction	7.3 msf	7.5 msf	+0.2 msf

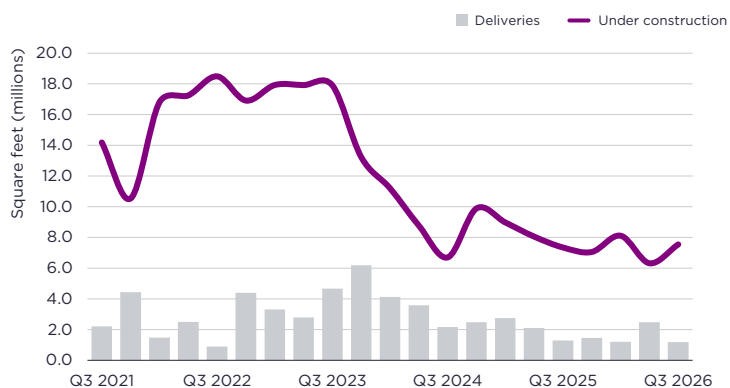
ASKING RENT AND VACANCY



NET ABSORPTION



DELIVERIES AND CONSTRUCTION



Outlook

- 01** Persistent strong leasing through the first three quarters of 2026 will fuel positive absorption through the remainder of the year and into 2027.
- 02** As steady absorption and new development target an already limited segment of the market, further vacancy compression is likely.

- 03** Upward pressure on pricing is expected in certain submarkets and size segments as the market continues to bifurcate by location, building size and asset type.

NOTABLE LEASES

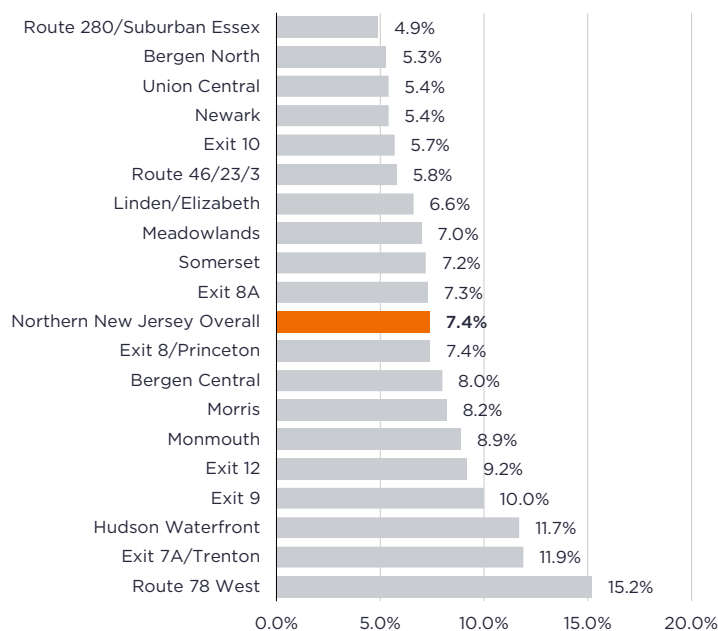
Source: Savills Research

Tenant	Size (SF)	Submarket	Address	Transaction type	Industry
LG Electronics	926,392	Somerset	50 Veronica Avenue	Renewal	Consumer Goods
US Elogistics	611,320	Exit 8A	1 Costco Drive	New Lease	Logistics & Distribution/3PLs
G-III Apparel	583,376	Exit 8A	140 Docks Corner Road	Renewal	Consumer Goods
Amazon	426,275	Hudson Waterfront	145 Industrial Drive	New Lease	E-commerce
TikTok Shop	408,970	Exit 10	400 Fairway Lane	New Lease	E-commerce

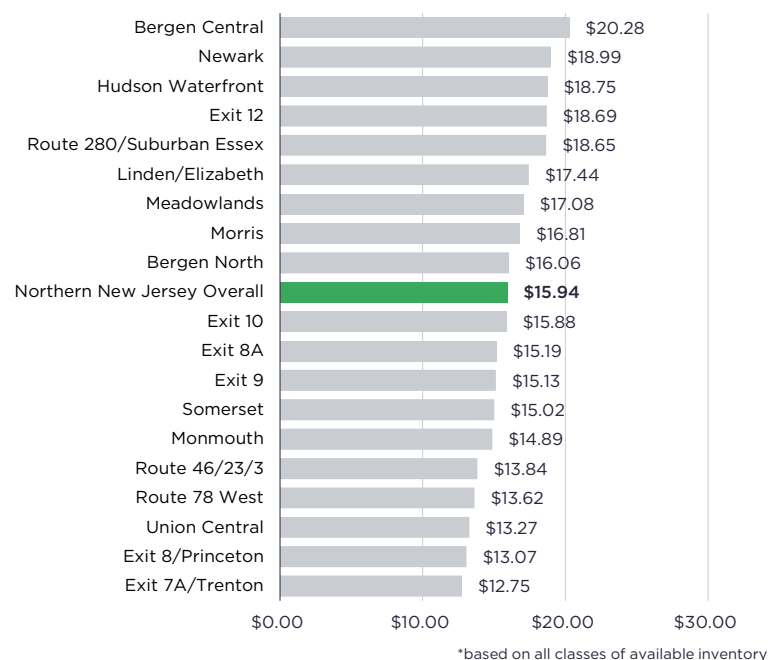
NEW DEVELOPMENTS

Developer / Tenant	Size (SF)	Submarket	Address	Development type	Status
Brookfield Properties	973,395	Exit 10	577 Smith Street	Speculative (available)	Under Construction
2020 Acquisitions	808,510	Exit 10	201 Jake Brown Road	Speculative (available)	Under Construction
Russo Development / Real Cold	602,409	Morris	111 Route 10	Speculative (partially leased)	Under Construction
EQT	596,750	Monmouth	203A & B State Route 33	Speculative (available)	Under Construction
Link Logistics	354,400	Newark	105-161 Hyatt Avenue	Speculative (available)	Delivered Q3 2026

VACANCY RATE COMPARISON (%) NORTHERN NEW JERSEY SUBMARKETS



RENTAL RATE COMPARISON (\$/SF)* NORTHERN NEW JERSEY SUBMARKETS



*based on all classes of available inventory

Savills Research

For more information, please contact us:

Savills New Jersey
201 Route 17 North
Suite 902
Rutherford, NJ 07070
+1 201 556 9700

Chris Bauers
Research Manager,
Industrial
cbauers@savills.us



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Unless otherwise noted, all rents quoted throughout this report are average asking net (NNN) rents per square foot. Statistics are calculated using both direct and sublease information. Current and historical vacancy and rent data are subject to change due to changes in inventory. The information in this report is obtained from sources deemed reliable, but no representation is made as to the accuracy thereof. Unless otherwise noted, source for data is Savills Research. Copyright © 2026 Savills